

Williams David W
Form 4
July 02, 2008

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Williams David W

2. Issuer Name and Ticker or Trading Symbol
Morningstar, Inc. [MORN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O MORNINGSTAR, INC., 225 WEST WACKER DRIVE

3. Date of Earliest Transaction (Month/Day/Year)
07/02/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)

Managing Director, Design

(Street)
CHICAGO, IL 60606

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	Price	
Common Stock	07/02/2008		M		2,000	A 17.069 (3)	48,243 D
Common Stock	07/02/2008		S(1)		200	D \$ 68.75	48,043 D
Common Stock	07/02/2008		S(1)		300	D \$ 68.81	47,743 D
Common Stock	07/02/2008		S(1)		124	D \$ 68.91	47,619 D
Common Stock	07/02/2008		S(1)		276	D \$ 68.92	47,343 D

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Common Stock	07/02/2008	S ⁽¹⁾	100	D	\$ 68.96	47,243	D
Common Stock	07/02/2008	S ⁽¹⁾	1,000	D	\$ 70	46,243	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 17.069 ⁽³⁾	07/02/2008		M	2,000	⁽²⁾ 12/01/2014	Common Stock	2,000

Reporting Owners

Reporting Owner Name / Address

Williams David W
C/O MORNINGSTAR, INC.
225 WEST WACKER DRIVE
CHICAGO, IL 60606

Relationships

Director 10% Owner Officer Other

Managing Director, Design

Signatures

/s/ Heidi T. Miller, by power of attorney

07/02/2008

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on March 31, 2008.
- (2) The options became exercisable in four equal installments on May 1, 2005, 2006, 2007, and 2008.
- (3) The exercise price increases over the term of the option at a rate equal to the 10-year Treasury bond yield as of the date of grant (\$14.70). On July 2, 2008, the exercise price was \$17.069.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.